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Livestock and Poultry: World Markets and Trade 2008 Forecast

According to the OECD-FAO Agricultural Outlook for 2007-2016, global economic growth was vigorous through 2006 with GDP growth for OECD member countries at 3.2% in 2006 and projections of about 2.5% throughout the outlook horizon. In per capita terms, economic growth is anticipated to be strongest in recent times, due to various factors that include the spread of technology, globalization of markets, and an income dividend due to declining population growth. In light of this, USDA FAS is expecting broiler exports to increase 4% in 2008 of which Brazil and the US account for nearly 80% of the world total. The rise in export forecasts is attributed to increases in the global economic structure, which in turn is assumed to support increases in consumption.

China is expected to increase its broiler imports by 9% in 2008 following the surge in imports in 2007, due to tight supplies and higher prices of domestic pork in comparison with its substitute, imported broiler meat, which was relatively lower in price and more available. In light of the 2008 Summer Olympics hosted in China, projections are predicting strong demand for both pork and poultry products from tourists. However sanitary issues continue to be a concern; several Brazilian and US plants have been delisted in recent weeks as a result of issues with residues and pathogens.

Broiler meat imports from the European Union (EU-27) are expected to be flat in 2008. Imports of Brazilian broiler meat will decrease in 2008, due to the new TRQ for salted poultry on Brazil, which became effective in late 2007.

Japanese imports of broiler meat are forecast to remain unchanged in 2008. Japan will be importing an increased share of broiler meat from China in 2008 in comparison to Brazilian broiler meat as Japan is a very price and product sensitive marketplace. Imports of Brazilian broiler meat, especially boneless leg meat (down 13%), to Japan throughout the first 9 months of 2007 declined as a result of higher prices and unfavorable exchange rates; Japan is instead shifting to cheaper prepared products from China.

Russia is projected to continue importing the same levels of broiler meat in 2008 that it did in 2007. The unchanged broiler meat import forecast is a result of a regulatory change in 2006 that raised the minimum price of poultry, mostly from Brazil and the US, which accounts for 90% of its total imports.

The 2007-2016 Outlook is forecasting world market conditions for meat products to return to normal diminishing world prices. Poultry prices are expected to follow a similar trend, however they are expected to continue rising for a longer period before stabilizing, reflecting growing demand in Europe and North and Latin America.
Source: USDA FAS Office of Global Analysis/Organization for Economic Cooperation and Development-United Nations Food and Agriculture Organization Agricultural Outlook 2007-2016

Summary of Major Traders and US Trade of Broiler and Turkey

	2004	2005	2006	2007(p)	2008(f)	% Change 07-08
Production	61,313	64,583	65,499	67,992	69,523	4%
Consumption	59,435	62,674	64,165	66,082	67,137	3%
Imports	4,728	5,486	5,665	5,775	5,766	2%
Exports	6,505	7,328	6,987	7,732	8,071	11%
US Share*	36%	36%	37%	35%	35%	-2%**

Note: (p) preliminary; (f) forecast; * US Market Share Percentage of Exports Among Major Traders; ** Change in Market Share Points; All figures in 1,000 Metric Tons Ready to Cook Equivalent. Totals include only those countries that make up USDA's official PSD database are reported. This means totals do not encompass all production, consumption and trade, but rather the sum of those countries reported in USDA's database, which represent the most important players in the world meat PSD situation. In an attempt to capture these major players, the list of countries reported changes periodically.
Source: USDA FAS Office of Global Analysis

Summary of Broiler Meat of Selected Countries (1,000 MT Ready to Cook Equivalent)

	2003	2004	2005	2006	2007(p)	2008(f)
Production						
China*	9,898	9,998	10,200	10,350	10,850	11,400
Brazil	7,645	8,408	9,350	9,355	10,105	10,550
EU-27	7,916	7,852	84,169	7,803	8,035	8,090
Mexico	2,290	2,389	2,498	2,592	2,656	2,722
India	1,500	1,650	1,900	2,000	2,200	2,400
Others	10,932	10,760	11,658	12,395	12,997	12,706
Total Foreign	*40,181*	*41,057*	*43,775*	*44,495*	*46,843*	*47,868*
US	*14,696*	*15,286*	*15,870*	*16,043*	*16,076*	*16,536*
Total	***54,877***	***56,343***	***59,645***	***60,538***	***62,919***	***64,404***
Total Domestic Consumption						
China*	9,963	9,931	10,088	10,371	11,010	11,570
EU-27	7,739	7,613	8,082	7,718	7,885	7,940
Brazil	5,742	5,992	6,612	6,853	7,200	7,450
Mexico	2,627	2,713	2,871	3,021	3,070	3,146
Russia	1,680	1,675	2,139	2,373	2,540	2,680
Others	13,183	13,577	14,680	15,261	15,857	15,512
Total Foreign	*40,934*	*41,501*	*44,472*	*45,597*	*47,562*	*48,298*
US	*12,540*	*13,080*	*13,430*	*13,784*	*13,657*	*14,005*
Total	***53,474***	***54,581***	***57,902***	***59,381***	***61,219***	***62,303***
Total Imports						
Russia	1,081	1,016	1,225	1,189	1,180	1,180
Japan	695	582	748	716	675	680
China*	453	174	219	343	513	560
EU-27	546	489	609	605	550	550
Saudi Arabia	452	429	484	423	440	450
Others	1,298	1,629	1,707	1,908	1,958	1,935
Total Foreign	*4,525*	*4,319*	*4,992*	*5,184*	*5,316*	*5,355*
US	*6*	*12*	*15*	*21*	*29*	*27*
Total	***4,531***	***4,331***	***5,007***	***5,205***	***5,345***	***5,382***
Total Exports						
Brazil	1,903	2,416	2,739	2,502	2,905	3,100
EU-27	723	728	696	690	700	700
China*	388	241	331	322	353	390
Thailand	485	200	240	261	315	320
Argentina	39	66	84	80	150	155
Others	183	162	276	210	275	291
Total Foreign	*3,721*	*3,813*	*4,366*	*4,065*	*4,698*	*4,956*
US	*2,232*	*2,170*	*2,360*	*2,361*	*2,480*	*2,524*
Total	***5,953***	***5,983***	***6,726***	***6,426***	***7,178***	***7,480***

Note: * People's Republic of China; Chicken paws are not included in the trade data. From 2003, Columbia and Egypt are no longer included in the broiler PSD. From 2007, Australia is no longer included in the broiler PSD. From 2008, Guatemala and the Philippines are no longer included in the broiler PSD.
Source: USDA FAS Office of Global Analysis

INSPECTED EGG PRODUCTS – U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Nov 17, 2007 / Year-To-Date

Type	2007	2006 /1	2007 /2	2006
Liquid	0	251	3,277	10,831
Frozen	0	0	71	172
Dried	48	100	753	700
Total	48	351	4,101	11,703

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Nov 17, 2007 / Year-To-Date

Type	2007	2006 /1	2007 /2	2006
Liquid	282	282	14,269	4,601
Frozen	12	4	294	903
Dried	0	0	857	66
Total	294	286	15,420	5,570

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Week Ending Nov 17, 2007 / Year-To-Date

	2007	2006 /1	2007 /2	2006
Jumbo	0	0	0	150
Extra Large	762	1,560	55,215	81,171
Large	3,900	4,070	91,572	157,720
Medium	1,500	2,025	59,009	80,391
Ungraded	12,922	5,760	197,668	218,498
Misc	0	0	7,849	6,975
Total	19,084	13,415	411,313	544,905

/1 Comparable Week, to-date figures may not total due to rounding.
/2 Includes revisions to previous week(s).

Data Source:Agriculture and Agri-Food Canada, AISD, AID, Poultry Section
SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch

U.S./CANADIAN LIVE POULTRY SLTRD UNDER INSPECTION

W/E 17-Nov-07 (Preliminary)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,274	1,562	2,836
Last Week	1,052	1,457	2,509
Same week yr ago	1,151	1,715	2,866
To-date/2007	50,859	67,818	118,677
To-date/2006	49,891	68,897	118,788

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	338	0	338
Last Week	248	0	248
Same week yr ago	115	3	118
To-date/2007	11,930	36	11,966
To-date/2006	6,923	49	6,972

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,612	1,562	3,174
Last Week	1,300	1,457	2,757
Same week yr ago	1,266	1,718	2,984
To-date/2007	62,789	67,854	130,643
To-date/2006	56,814	68,946	125,760

SOURCE: USDA AMS Poultry Programs, Market News & Analysis Branch
Washington, DC

*****On January 4, 2008 these reports will be combined into the new National Mechanically Separated Chicken report and will no longer be available as separate reports. Until then, the new National MSC report will run concurrently.*****

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

NOV 23, 2007

CHICKEN WITH SKIN ADDED ---- PRICES ---- (Cents per Pound) ----- VOLUME -----

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00	102,000	-
WTD AVERAGE		16.00		
15-20%				
RANGE	15.50-17.00	11.00-15.00	1,818,400	1,329,600
WTD AVERAGE	16.07	11.67		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

NOV 23, 2007

CHICKEN WITH SKIN ADDED ---- PRICES ---- (Cents per Pound) ----- VOLUME -----

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75	15.00-16.00	662,000	210,000
WTD AVERAGE	15.75	15.69		
15-20%				
RANGE	16.00-21.00	11.00-16.00	3,025,800	1,969,800
WTD AVERAGE	18.00	13.66		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 23 NOVEMBER 2007.

Trading was seasonally slow. The market tone on bulk parts and meats was generally steady on limited sales, however most items not well tested. Demand was light with most buyers and sellers off for the holiday. Offerings mixed due in part to the holiday processing schedules. For export: Fresh tom drums 57-58 cents.

EXPORT TRADING **FRIDAY, NOVEMBER 23, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**	**WEEKLY WTD AVG PRICE**	**WEEKLY VOLUME (000)**
DRUMSTICKS, TOMS	57.00-58.00		57.50	80	57.89	182
WINGS FULL-CUT - TOMS		W	45.56	256	45.56	256
WINGS, V-TYPE, TOM						
TAILS		W	27.50	40	29.02	114
MECHANICALLY SEPARATED 2/		F	17.00	312		
THIGH MEAT - FROZEN		W	97.00	260	97.00	260

NO EXPORT TRADING REPORTED ON THURSDAY, NOVEMBER 22, 2007 DUE TO THANKSGIVING DAY HOLIDAY

EXPORT TRADING **WEDNESDAY, NOVEMBER 21, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	58.00-59.00		58.20	100
WINGS FULL-CUT - TOMS	44.00-48.00		45.56	256
WINGS, V-TYPE, TOM				
TAILS	27.50		27.50	40
MECHANICALLY SEPARATED 2/		F	17.00	312
THIGH MEAT - FROZEN	97.00		97.00	260

EXPORT TRADING **TUESDAY, NOVEMBER 20, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS		M	58.00	2
WINGS FULL-CUT - TOMS		F	48.00	52
WINGS, V-TYPE, TOM				
TAILS	28.00		28.00	40
MECHANICALLY SEPARATED 2/		F	17.00	312
THIGH MEAT - FROZEN				

EXPORT TRADING **MONDAY, NOVEMBER 19, 2007**	**PRICE RANGE**	**L.S.T. CODE 1/**	**WTD AVG PRICE**	**VOLUME (000)**
DRUMSTICKS, TOMS	58.00		58.00	2
WINGS FULL-CUT - TOMS		F	48.00	52
WINGS, V-TYPE, TOM				
TAILS	32.00		32.00	34
MECHANICALLY SEPARATED 2/		F	17.00	312
THIGH MEAT - FROZEN				

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY
2/ Product contains 15/20% fat with skin added.